

# 2006 NAFDPIR Conference



## USDA General Session



## Monday's Agenda

- Expansion of the Southwest Multi-Food Warehouse Pilot Project & ECOS
- Commodity Availability & Delivery Problems
- Commercial Labeling
- Food Product Dating, Shelf Life & Expiration Dates
- FDPIR Funding Methodology

# Wednesday's Agenda

- Farm Bill Reauthorization
- FY 2007 President's Budget
- FY 2006 Bison Purchase
- FDPIR Food Package Review
- Commodity Acceptability Progress Reports





## Wednesday's Agenda

- FNS Handbook 501 Changes
- New FDPIR Management Evaluation Module
- Nutrition Education
- FNS Response to 2005 NAFDPIR Resolution

# Expansion of the Southwest Multi-Food Warehouse Pilot





## Southwest Multi-Food Warehouse Pilot



- The Southwest Multi-Food Warehouse Pilot for the Commodity Supplemental Food Program (CSFP) and FDPIR was implemented by FNS to pilot test a commercial food ordering and delivery system



# Objectives



The two major objectives were:

- (1) To significantly improve multi-food ordering and delivery service to FDPIR and CSFP recipient agencies; and
- (2) To reduce the level of Federal staff resources necessary to administer these labor-intensive programs without appreciably increasing costs



## Background



- The pilot began operations in May 2004 and has been extended to March 2007
- Under the pilot, USDA's Farm Service Agency contracts with a commercial food distributor to operate the multi-food ordering and delivery system for CSFP and FDPIR agencies in the Southwest region
- USDA continues to purchase the food and delivers it to the multi-food contractor's warehouse





## Standard System vs. Southwest Multi-Food Warehouse Pilot



Standard System	Southwest Multi-Food Warehouse Pilot
Recipient agencies order 6-8 weeks in advance of delivery	Recipient agencies can order as late as 3 days in advance of delivery
Delivery window is a 2-week period	Agencies can negotiate set delivery dates and times
Delivery date is not known until as late as 24 hours before delivery	Negotiated delivery dates are set. Agencies can know months in advance



## Standard System vs. Southwest Multi-Food Warehouse Pilot



Standard System	Southwest Multi-Food Warehouse Pilot
Order goes from State: → FNS Regional Office → FNS Headquarters → Farm Service Agency in Kansas City → Federal warehouse	Orders go directly from recipient agency to warehouse through a Internet-based ordering system



## Standard System vs. Southwest Multi-Food Warehouse Pilot



Standard System	Southwest Multi-Food Warehouse Pilot
Some ordered items may not be available by the delivery date and another product selection may be required. This can involve communication between 5 entities.	Order is placed by the recipient agency against real-time inventory. Recipients can see what is available as orders are placed.



# Customer Service Benefits



- In June 2005, we administered a customer service survey. Both FDPIR and CSFP respondents liked:
  - ordering on-line because they see foods and quantities available. They also receive an order confirmation as soon as they place their order.
  - the option of ordering up to 3 days in advance of receiving their shipment. Ordering more frequently implies receiving fresher product and maintaining less storage.
  - pre-set delivery schedules. They know they can count on their delivery when they see it.
  - working with fewer agencies, less paperwork, and a simplified process



## Next Steps

- April 2006 – Sources Sought Notice (Complete)
- June 2006 – Request for Proposals
- June 2006 – Pre-Proposal Conference
- August 2006 – Proposals Due
- Fall 2006 – Contract(s) Award
- Winter 2006-2007
  - ITO Training
  - Stocking Warehouse
  - Roll-out Begins!



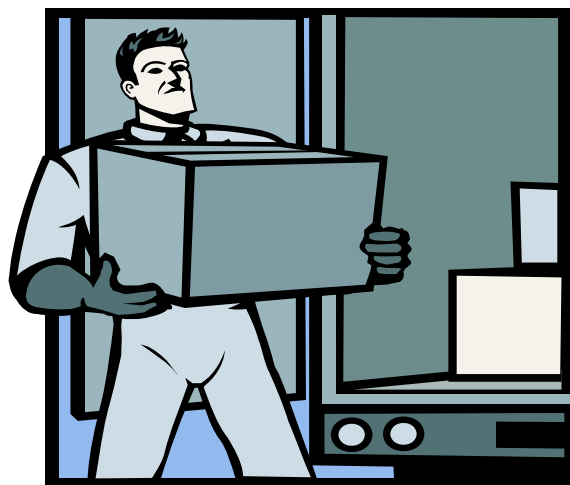
# Expansion of the Southwest Multi-Food Warehouse Pilot



*Comments?*

*Questions?*

# Commodity Availability and Delivery Problems





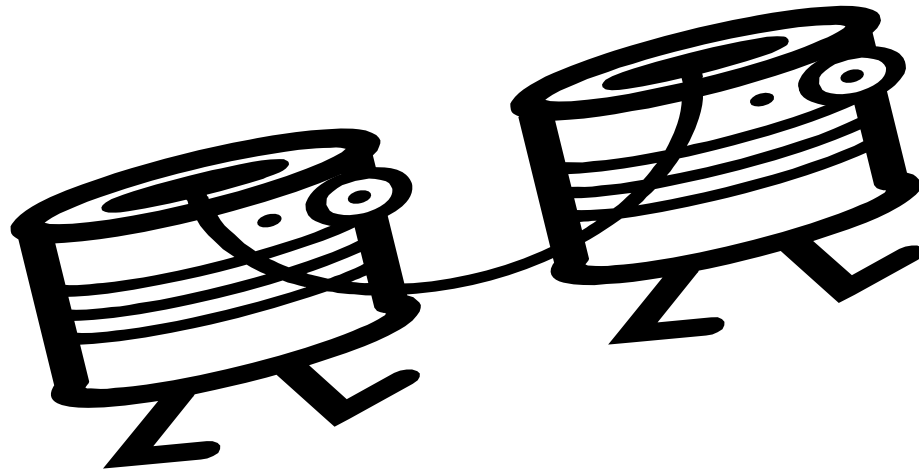
# Areas of Opportunity

- Communication
- Condition of Product
- Ordering Issues





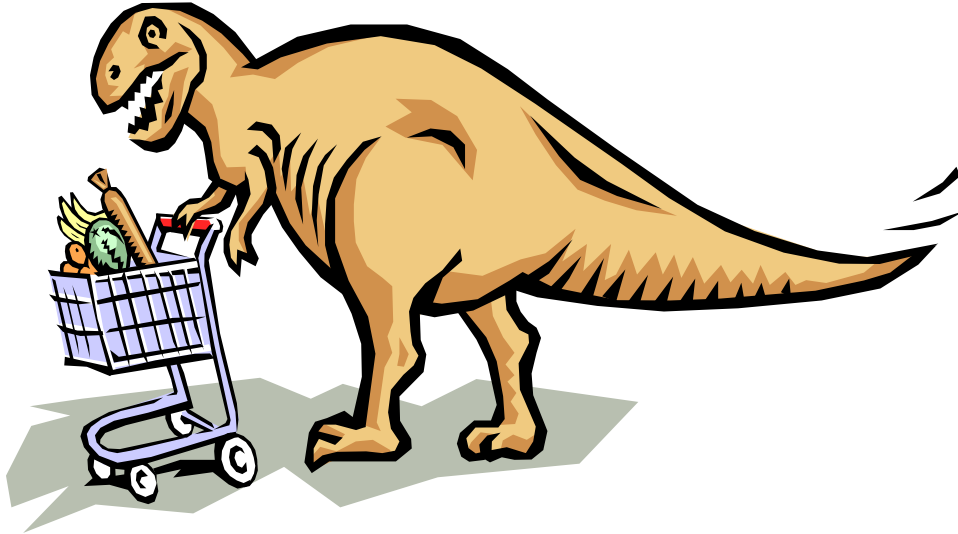
# Communication



# Condition of Product

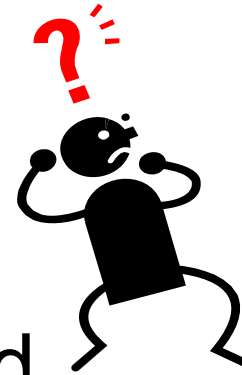


# Order Changes & Product Availability





# Problems, ?????'s, Concerns Contact



Janice Fitzgerald

703-305-7537

[janice.fitzgerald@fns.usda.gov](mailto:janice.fitzgerald@fns.usda.gov)



# Commodity Availability

- Here's what's happening:
  - ☐ Out-dated product shipped
  - ☐ Fair shares or unavailability of product
  - ☐ Problem with cheese
  - ☐ Late deliveries



# Commodity Availability

- Here's what we're doing:
  - Monitoring product in inventory more closely
  - Lessen instances of unavailability or fair sharing
  - Working with vendor(s) to correct problems
  - Offer only what is available in inventory
  - Submit orders for processing on schedule



# Commodity Availability

- Here's what you can do to help:
  - Order direct shipments when and where you can
  - Work with each other to split direct shipments
  - Notify regional office on changes in participation



# Commodity Availability and Delivery Problems



*Comments?*

*Questions?*



# Commercial Labeling





# Commercial Labels

## ■ Commercial Labels in FDPIR

- Piloted in late 1990's
- An option for all products since FY 2000

## ■ Benefits

- Reduced delivery delays
- Increased competition
- Lower program costs
- Elimination of the “generic” stigma



## Commercial Labels

### **Reasons some manufacturers still use USDA labels:**

- Small companies don't have their own label
- Some of our products are not commercial
- We have a different specification than the commercial
- The USDA label can be cheaper



## Commercial Labels for FDPIR

- **Group B:**

FSA plans to require commercial label for all products (most are already commercial)



## Commercial Labels for FDPIR

### ■ **Group A:**

- Frozen poultry and meat (including frozen chicken, ground beef, and ground bison)
- Canned beef stew and bison stew



## USDA Labels for FDPIR

- Canned tuna, beef, turkey, luncheon meat and dried egg mix
- 90% of juices
- 70% of canned fruits and vegetables (small vendors without a brand name label)
- AMS/Industry conference this week - will discuss best way to go commercial labels for fruits and vegetables



## Commercial Labels

We will continue our efforts to move  
as many products as possible  
to commercial labels!



# Commercial Labeling



*Comments?*

*Questions?*





# Food Product Dating, Shelf Life, Expiration Dates: Can We Date?

Sheldon E. Gordon, MS, RD, LD Nutritionist  
USDA/FNS



## Food Product Dating

- Product dating is not required by Federal regulations, but many stores and processors voluntarily date packages on food products
- There is no uniform or universally accepted system used for food dating in the United States



## Best If Used By (BIUB)

- The "Best If Used By" date is intended to tell you how long the product will retain best flavor or quality
- **This term is not a safety date**
  - Some foods may deteriorate more quickly and other foods may last longer than times suggested
  - Products kept past the "Best If Used By" date are not necessarily out of condition



## What is Food Dating?

- **Open dating:**

Primarily on perishable foods  
(meat, poultry, eggs, dairy)

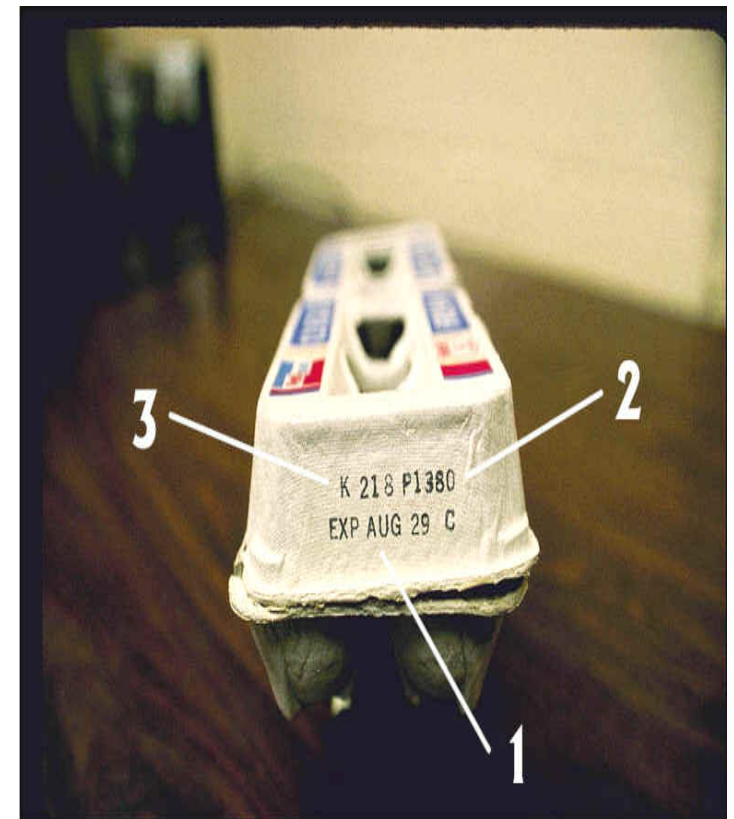
- **Closed or coded dating:**

Shelf-stable products such as cans and  
boxes of food

# Food Product Dating

## Open Dating:

- Use of a calendar date
- Must include:
  - month, day (and year if shelf-stable or frozen)
  - a phrase explaining the meaning:
    - EXP
    - Sell by
    - Best if used before





## Closed or Coded Dating

DEL MONTE FOOD:

Example: 9045 (February 14, 1999)

First line, four digits

Position 1: Year

Position 2, 3 and 4: Julian Date

LAKESIDE FOODS:

Example: 4A198 (October 19, 1998)

Second line, second through fifth digits

Position 2: Month (January=1, September=9, October=A,  
November=B, December=C)

Position 3 and 4: Date

Position 5: Year



## Types of Food Dates

- “Pack” Date – Date of pack
- “Sell by” Date – Indicates how long a retailer should display and sell the product
- “Use by” Date – Date recommended for peak quality (determined by manufacturer)



## Factors Affecting Shelf Life

- Improper handling/sanitation
- Inadequate storage temperatures
- Container/packaging condition
- Storage time
- Humidity





## Ground Beef & Bison

- Delivery Lag Time
- Over Ordering/ High Inventory Maintenance
  - Fluctuation in participation and distribution amounts at the sites
  - Monthly Food Package Guide Rates



## General Guidelines

- High acid foods, such as canned tomatoes and pineapple, have a relatively shorter usage time
- Low acid foods, such as canned vegetables, meat, and poultry, have a longer usage time if stored in cool, clean, dry conditions
- Frozen foods must be maintained at 0°F or below and have a relatively shorter usage time



## Can We Date?

- We are no longer sending out or endorsing “Best If Used By” dates for our products
- We just provide guidance!
- USDA’s “Best If Used By” Guidance Websites:
  - Food Management in Households  
<http://www.fns.usda.gov/fdd/facts/biub/hhp-biubguide.pdf>
  - Warehouse Inventory Control  
<http://www.fns.usda.gov/fdd/facts/biub/warehouse-biubguide.pdf>



# Food Product Dating, Shelf Life, & Expiration Dates



*Comments?*

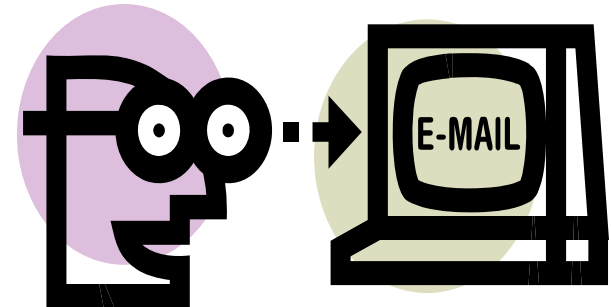
*Questions?*

# FDPIR Funding Methodology



# Briefing Package

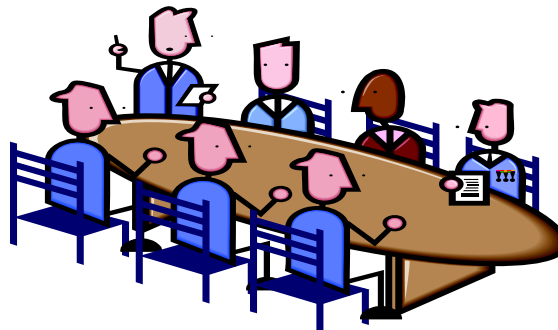
- List of work group members with contact information
- Background information
- Description of components under consideration



# Past Efforts to Change the Funding Methodology

**1994 and 1998:** NAFDPIR passed Resolutions that supported an equitable funding formula

**1998:** ITO/FNS work group was convened as part of an overall FNS Business Process Reengineering effort





## Trailblazers for New-Triton Team

- The Trailblazers for New-Triton Team (TNT) developed 3 models
- The models were presented to all Tribal and State governments with a request for comments:

60% response rate

49% favored a funding formula

45% were opposed





## TNT Recommendation

In October 1999, the TNT issued a final report recommending one of the models

### Question:

So, why wasn't the TNT's recommendation implemented?

### Answer:

In 2000, the NAFDPIR membership passed a resolution asking FNS to withdraw the TNT proposal for a funding formula

# So, Why Are We Doing This Now?

Following a meeting with Tribal leaders in 2005, Under Secretary Bost agreed to take another look at this issue

Two primary concerns:

- ☐ Inequities in funding allocation
- ☐ FNS staff resources





## Inequities in Funding Allocation

- Longstanding concern that the current funding methodology does not provide an equitable basis for allocations
- FDPIR administrative funds are allocated to FNS Regional offices based on historical percentages for which there is no known basis
- Each FNS Regional Office negotiates budgets in a different way which has resulted in inconsistencies within and across regions



	Share of Funding	Share of Participation (FY 2005)
NERO	0.97%	0.38%
SERO	<b>0.77%</b>	<b>1.35%</b>
MWRO	10.96%	8.85%
MPRO	28.48%	23.80%
SWRO	<b>27.03%</b>	<b>35.83%</b>
WRO	31.79%	29.79%



## Inequities in Funding Allocation

- Range of FY 2005 administrative funding per participant amounts **among ITOs:**

**\$112 to \$1375**

- Range of FY 2005 administrative funding per participant amounts **among Regions:**

**\$138 to \$619**

## FNS Staff Resources

- The budget negotiation process is time consuming for both FNS Regional Offices and the ITOs
- FNS Regional Offices negotiate budgets with 102 ITOs/State agencies each year



# Where Are We Now?

FNS convened a work group that includes:

- Representatives from ITOs
- Representatives from FNS Regional Offices
- FNS Headquarters staff





## NAFDPIR Board Members

Tony Nertoli, President (Sault Ste. Marie Tribe of Chippewa Indians)

Ray Capoeman, First Vice-President and  
W Region Vice-President (Quinault Nation)

Red Gates, MP Region Vice-President (Standing Rock Sioux)

Susie Roy, MW Vice-President (Leech Lake Chippewa)

Linday Rayon, SW Region Vice-President (Muscogee (Creek) Nation)





## Other ITO Representatives

Melinda Newport – OK and NM Food Action  
Committee of Tribes (Chickasaw Nation)

Thomas Yellowhair – WAFDPIR (Navajo  
Nation)

Gale Dills – Southeast Region (Eastern  
Cherokee)



## Previous Work Group Members

- Mary Lane Allen – Southeast Region  
(Mississippi Band of Choctaw Indians)
- Yunus Lakhani – WAFDPIR (Southern  
California Tribal Chairmens' Association)
- Sharon Thompson – Northeast Region  
(St. Regis Mohawk)
- Steve Stathopoulos - FNS-NERO

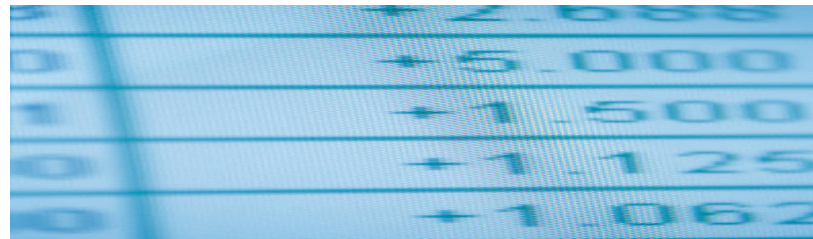
## Challenge:

**There is no perfect funding methodology  
that will please everyone.**



# Data Collection

- FY 2005 cost category data (salaries, building lease/rent, utilities, supplies, equipment, insurance, tailgating, vehicle and equipment maintenance)
- Matching rates and amounts
- BIA approved indirect cost rates and amounts
- Number of full-time equivalent positions



	+2.688
	+5.000
	+1.500
	+1.125
	+1.062

# Cost Drivers and Other Cost Considerations

- Participation
- Service Delivery:
  - basic operations
  - number of warehouses
  - number and type of issuance outlets
  - tailgating and home delivery



# Cost Variables Beyond the Control of the Work Group

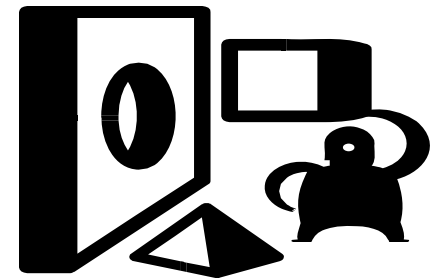
- Geographic Area
- Tribal Match
- Indirect Cost Rate
- Tribal/State Human Resource Policies



## Challenge:

How to factor specific cost drivers when there is significant variation from ITO to ITO:

- Monthly tailgates range from 1 to 62, and cover 70 to 6400 miles
- Tribal matching ranges from 0% to 74%
- Geographic areas range from 40 acres to 17 million acres
- BIA approved indirect cost rates range from 0% to 68%



# Concepts: Potential Components

- Tiering for economies of scale
- Per participant amounts
- Base grant amounts
- Grant amounts based on specific cost drivers
- Set aside for ITO/FNS Regional Office negotiation





# Proposals Considered

The work group developed and evaluated 14 separate proposals that incorporate variations of these potential components



## Guidelines:

- Is equitable
- Is easily understood
- Is administratively efficient
- Provides adequate funding for the smallest ITOs
- Considers operational differences among the ITOs



## Guidelines:

- Maintains the ability of the ITOs to negotiate funding to ensure that operational differences are properly funded
- Includes a gradual implementation plan to minimize changes in funding from year to year
- Utilizes all appropriated funding



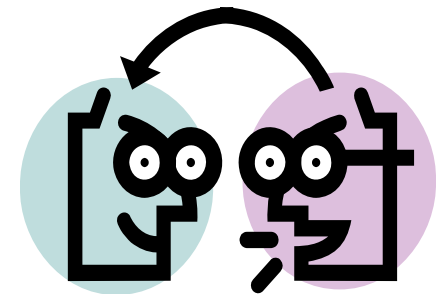
# Guidelines Applied to Proposals

- Would perpetuate current funding inequities
- Would not guarantee an amount for ITO/FNS Regional Office negotiation
- Would not provide sufficient funding for smaller ITOs
- No objective basis for establishing tiers; base amounts; or set asides for ITO/FNS Regional Office negotiation



## What Happens Next?

- The work group has **not** made a final decision on the proposals it wishes to recommend
- The work group welcomes your comments on the proposals considered to date, and suggestions for additional proposals
- The work group recognizes that your comments cannot be construed as representative of your Tribal Council or State agency



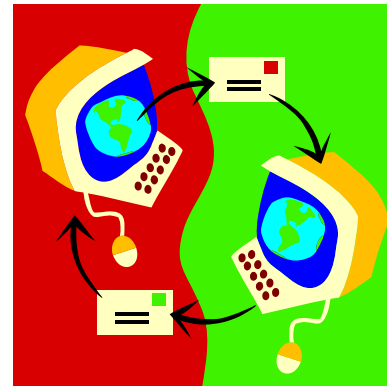
# Where to Submit Comments

due **COB May 15, 2006**

Please provide your suggestions/  
comments to:

Your Regional Representative

or...





## Where to Submit Comments

due **COB May 15, 2006**

Nancy Theodore:

Fax: 703-305-1410

Email: [nancy.theodore@fns.usda.gov](mailto:nancy.theodore@fns.usda.gov)

Mail: Nancy Theodore

USDA, Food and Nutrition Service

Food Distribution Division

3101 Park Center Drive, Room 506

Alexandria, VA 22302

## What Happens Next?

- The work group will consider your input and develop a preliminary recommendation
- The preliminary recommendation will be sent to Tribal and State officials for comment (with a 90 day comment period)
- The preliminary recommendation may contain one or more proposals





## What Happens Next?

- You will have an opportunity to comment on the preliminary recommendation
- The work group will consider the comments received on the preliminary recommendation in forming its final recommendation, which will go to FNS officials





## For More Information

FNS website:

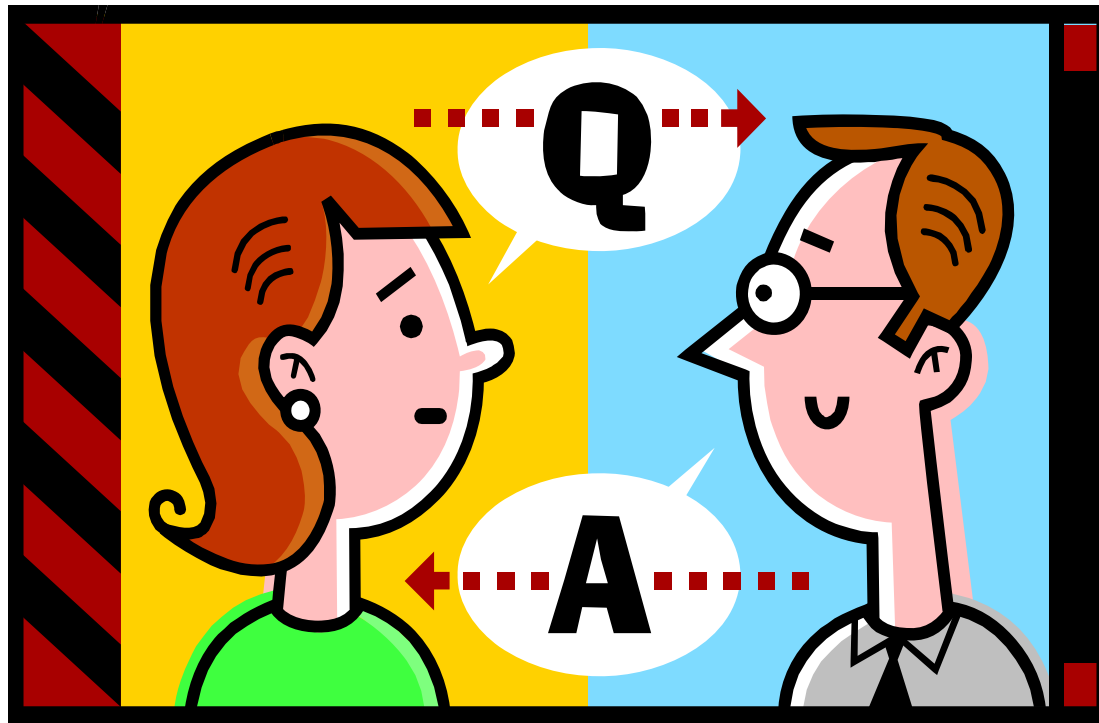
<http://www.fns.usda.gov/fdd/programs/fdpir>

Click on:

FDPIR Funding Workgroup Home Page



# Question & Answer Period



# 2006 NAFDPIR Conference



## USDA General Session

# Wednesday's Agenda

- Farm Bill Reauthorization
- FY 2007 President's Budget
- FY 2006 Bison Purchase
- FDPIR Food Package Review
- Commodity Acceptability Progress Reports

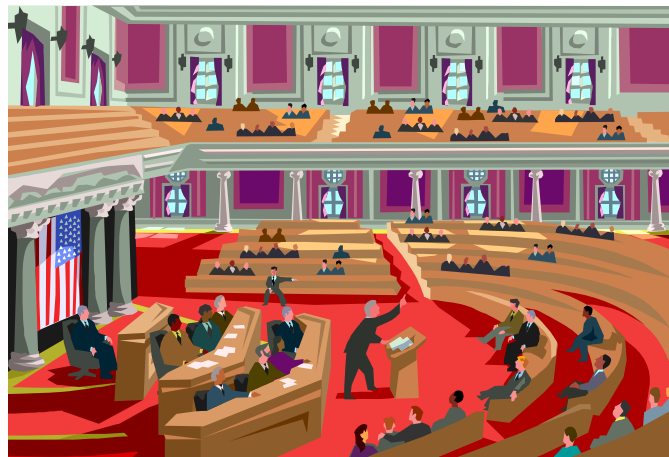




## Wednesday's Agenda

- FNS Handbook 501 Changes
- New FDPIR Management Evaluation Module
- Nutrition Education
- FNS Response to 2005 NAFDPIR Resolution

# Farm Bill Reauthorization





## Farm Bill Reauthorization

- Authorizing legislation for FDPIR and other USDA programs expires October 1, 2007
- FNS held a series of listening sessions across the country from September–November 2005
- Interested parties were invited to help FNS identify needed changes to existing legislation
- On July 26, 2005, in Rapid City, South Dakota, Under Secretary Bost met with Tribal leaders and other representatives





# FDPIR Recommendations

- Increase funding for FDPIR administration
- Establish a more equitable method for allocating FDPIR administrative funds
- Provide separate funding for nutrition education
- Provide separate funding for infrastructure
- Conform the FDPIR medical deduction to Food Stamp Program



## FDPIR Recommendations

- Reinststate the Prime Vendor Program
- Increase funding for expansion of the DoD Fresh Produce Program
- Provide additional funds to include frozen ground bison and frozen bison stew meat as permanent items in the food package
- Allow unobligated administrative funds to be carried-over from one year to the next



## FDPIR Recommendations

- Improve delivery and storage of commodities
- Develop culturally-relevant nutrition education for FDPIR
- Prorate Tribal per-capita payments
- Allow Native Americans not living on the reservation to participate in FDPIR



## Farm Bill Reauthorization

USDA is considering these recommendations, and is working on its proposals for the 2007 Farm Bill



# Farm Bill Reauthorization



*Comments?*

*Questions?*

# FY 2007 President's Budget



## FY 2007 President's Budget:

Administrative = **\$26.4 million**

(\$1.3 million increase over FY 2006)

Food Costs = **\$51.1 million**

(\$328,000 decrease from FY 2006)

Nutrition Education = **\$1 million**





# FDPIR Nutrition Education Budget Proposal

- To increase the likelihood that FDPIR participants will make healthy food choices and choose and active lifestyles consistent with the *Dietary Guidelines for Americans* and *MyPyramid.gov*
- Follow the model of the Food Stamp Nutrition Education Program (FSNEP)
- Incorporate the Food Stamp Nutrition Education Guiding Principles





# FDPIR Nutrition Education Budget Proposal

- Interested ITOs and State agencies will be asked to submit proposals to provide nutrition education services to a targeted audience in an area not served by FSNEP
- Special consideration will be given to culturally-based interventions that have been shown to be effective with Native American populations
- Grants will be distributed to the most promising proposals



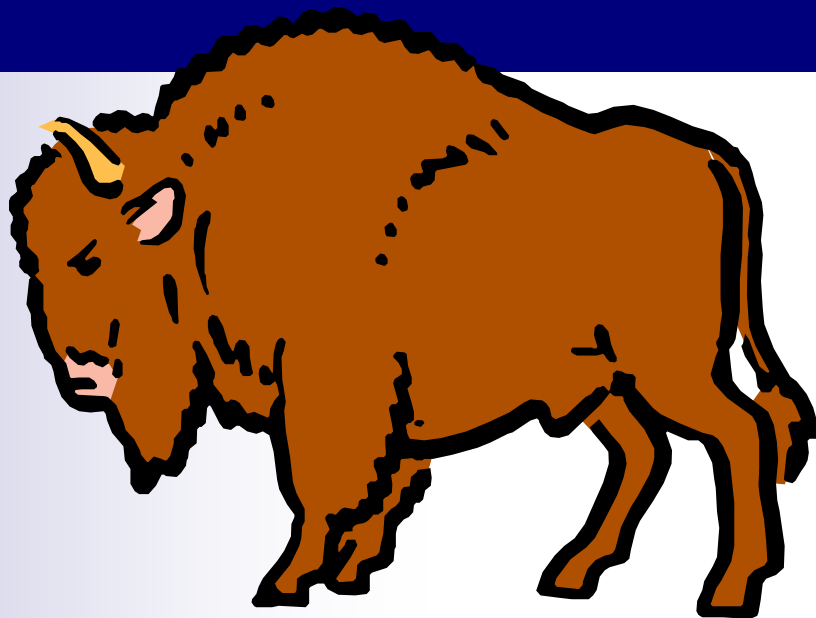
# FY 2007 President's Budget



*Comments?*

*Questions?*

# FY 2006 Bison Purchase





## Bison: Background

- Since 2001, Congress has earmarked funds for the purchase of bison for FDPIR
- Bison has been provided as a bonus item, in addition to the other meat items in the food package
- Up to \$3 million in FY 2001-2003  
Up to \$4 million in FY 2004-2005
- FY 2006: no less than \$3 million



## Bison Purchases: Current System

- Congress: Determines **WHO** we buy from (stated in appropriation legislation)
- FNS, AMS, ITOs: Determine **WHAT** products we offer
- ITOs: Determine **HOW MUCH** of each product we buy



## FY 2006 Bison Preliminary Orders

	<b>Prelim. Orders (Cases)</b>	<b>Rounded To Truck Loads (Cases)</b>	<b>Estimated Cost per Case</b>	<b>Estimated Total Cost</b>
<b>Ground Bison</b>	<b>9,308</b>	<b>9000</b>	<b>\$150.00</b>	<b>\$1,350,000</b>
<b>Ground Buffalo</b>	<b>4773</b>	<b>5000</b>	<b>\$184.00</b>	<b>\$920,000</b>
<b>Canned Stew</b>	<b>9,344</b>	<b>9000</b>	<b>\$66.60</b>	<b>\$599,400</b>



## Actual Cost Per Pound

	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006 (YTD)</b>
<b>Ground Bison</b>	<b>\$3.02</b>	<b>\$3.38</b>	<b>\$3.59</b> <b>(\$3.75 est)</b>
<b>Ground Buffalo</b>	<b>\$4.87</b>	<b>\$5.48</b>	<b>(\$4.00-\$4.60 est)</b>
<b>Canned Stew</b>	<b>\$1.26</b>	<b>\$1.47</b>	<b>\$1.64</b> <b>(\$1.85 est)</b>



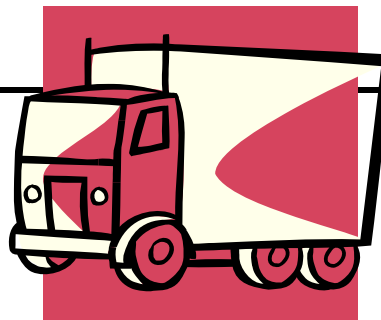
## FY 2006 Bison Purchases YTD

<b>Ground Bison</b>	<b>4000 cases</b>
<b>Ground Buffalo</b>	<b>--</b>
<b>Canned Stew</b>	<b>9000 cases</b>



# Planned Deliveries to Federal Inventory

<b>Ground Bison</b>	<b>May 2006 July – September 2006</b>
<b>Ground Buffalo</b>	<b>December 2006 – January 2007</b>
<b>Canned Stew</b>	<b>March – May 2006</b>





# FY 2006 Bison Purchase



*Comments?*

*Questions?*



# FDPIR Food Package Review



## Food Package Review

- Review cycle

- Your representatives are:

Tony Nertoli, Sault Ste. Marie

Ray Capoeman, Quinault

Red Gates, Standing Rock Sioux

Roxanna Newsom, Chickasaw Nation

Betty Jo Graveen, Lac du Flambeau

Lorraine Davis, Navajo Nation

Pat Roberts, Menominee



# Food Package Review

The work group also includes nutrition and health experts from:

Menominee Tribal Health Clinic

Chickasaw Health System

Center for Disease Control & Prevention

Crow/Northern Cheyenne Indian Hospital

FNS Nutritionists



# FDPIR Food Package Review



*Comments?*

*Questions?*

# Commodity Acceptability Progress Reports





## CAP Reports

- Policy Memo FD-053 (March 24, 2006) suspends reporting for FY 2006
- By law, FNS must ensure that information is collected every 2 years on the types and forms of commodities that are most useful to participants





## CAP Reports

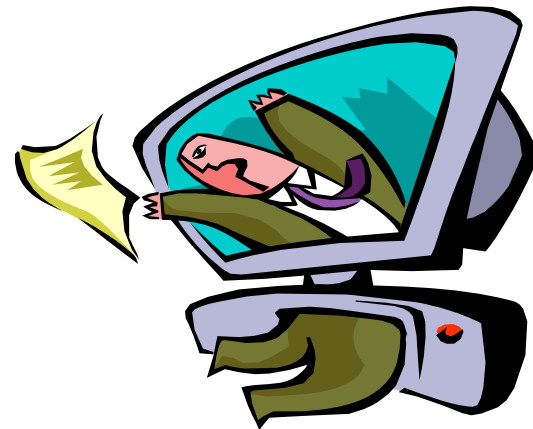
- FNS is undertaking an assessment of the CAP Report and other means of collecting commodity acceptability information
- We're asking for your input on the CAP Report
- Please submit comments to:
  - Your FNS Regional Office
  - [Rosalind.Cleveland@fns.usda.gov](mailto:Rosalind.Cleveland@fns.usda.gov)

# CAP Reports

If you would like to provide feedback on the commodities offered under FDPIR:

FNS website:

[www.fns.usda.gov/fdd/caps/  
commodityfeedback.htm](http://www.fns.usda.gov/fdd/caps/commodityfeedback.htm)





CAP



*Comments?*

*Questions?*

# FNS Handbook 501 Changes





# FNS Handbook 501 Changes

## **August 2005:**

- Incorporated policy memos and regulatory provisions since December 1998
- Updated terminology
- Added list of acronyms
- Updated forms in the Exhibits
- Added new exhibits (7 CFR Part 277 and 7 CFR Part 3016)



# FNS Handbook 501 Changes



*Comments?*

*Questions?*



# **New FDPIR Management Evaluation Module**



## New FDP Management Evaluation Modules

- FNS is revising the Management Evaluation modules used in reviewing all Food Distribution Programs
- Goal:
  - Consistent
  - Easy to use
  - Accurate



# New FDP Management Evaluation Modules

7 modules:

- FDPIR
- TEFAP
- CSFP
- Schools
- Processing
- Warehouse Management
- Administration





# FDPIR Management Evaluation Module

## **Streamlined the review process:**

- Included regulatory references and policy
- Incorporated checklists where appropriate
- Eliminate redundancy



## FDPIR Management Evaluation Module

- Initial review of FDPIR module is complete
- FNS Regional Offices will be testing the module in the field
- They will report back on what works and what doesn't
- FNS will make final revisions to the module based on these comments



# FDPIR Management Evaluation Module



*Comments?*

*Questions?*

# FDPIR Nutrition Education





# FDPIR Nutrition Education

## What's New?

- \$1 million in FY 2007 President's Budget
- Create a FDPIR Nutrition Education web page
- Establish an electronic-based listserv devoted to FDPIR Nutrition Education issues
- Conduct an assessment of FDPIR Nutrition Education activities and needs



# FDPIR Nutrition Education



*Comments?*

*Questions?*



# FNS Response to 2005 NAFDPIR Resolution





## 2005-01: Affirms NAFDPIR's Support of S.1115 to Amend the Tax Code

- Does not involve or require action by FNS



## 2005-02: Request to Include Bison Stew Meat and Ground Bison as Permanent Items in the Food Package

- FNS does not support because of the high cost of bison meat
- Frozen ground bison = **\$3.59-\$4.60** per pound  
Frozen bison stew meat = **\$4.30** per pound  
Frozen ground beef = **\$1.44** per pound
- If price differential decreases, this will be referred to the FDPIR Food Package Review Work Group

# Question & Answer Period

